



## **Testimony Submitted By Suzanne Bates, Policy Director of the Yankee Institute for Public Policy, to the Human Services Committee on SB 1044.**

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The Yankee Institute for Public Policy is a Connecticut think tank that develops and advances policy solutions to promote smart, limited government; fairness for taxpayers; and an open road to opportunity for all the people of our state.

This bill would apply to businesses that pay their employees less than \$15 an hour. They would have to pay a dollar per hour per employee to the state, which would then be funneled to the Office of Early Childhood.

There are two separate issues here, and combining them is not helpful. The first issue is whether we should impose a fine on employers of low-income workers, and the second issue is whether we should increase the pay of childcare workers.

Raising the pay of the educators of our youngest and most precious resources is a worthy goal, and if this committee has another program that is less worthy, I would encourage you to shift those resources to pay these workers more. However, this bill is the wrong way to achieve that goal. Punishing employers for hiring low-income workers will lead to fewer jobs for low-income workers.

Connecticut employers have already shown a bias toward hiring only high-paid workers in Connecticut. For example, at a CBIA event in January, LEGO Systems President Soren Torp Laursen was asked whether LEGO would ever bring a distribution center back to Connecticut. Laursen spoke about the high-paying jobs his company was bringing to Connecticut, but said "No," LEGO would never build a distribution center here. Overall, LEGO has better paying jobs here now, but also fewer employees overall.

It is a worthy goal to bring high paying jobs to Connecticut, but with every mandate, fine, fee and regulation, this state is pushing out jobs for lower income workers. While on the face, these laws seem pro-worker, in actuality they are pushing companies out of the state, or toward automation.

We should not penalize businesses that create jobs in Connecticut. The jobs that pay less than \$15 an hour are best for our youngest and most inexperienced workers. We should encourage education and other growth opportunities for people who want to move beyond this threshold, not make it even harder to do business in Connecticut.